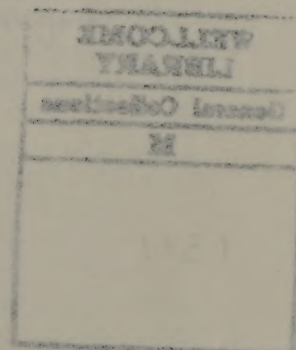


SCIENCE AND TECHNOLOGY COMMITTEE**Third Special Report****THE GOVERNMENT'S RESPONSE TO THE
SCIENCE AND TECHNOLOGY
COMMITTEE'S FIRST REPORT, SESSION
1997-98, THE IMPLICATIONS OF THE
DEARING REPORT FOR THE STRUCTURE
AND FUNDING OF UNIVERSITY RESEARCH**

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The Science and Technology Committee is appointed under Standing Order No 152 to examine the expenditure, administration and policy of the Office of Science and Technology and associated public bodies.

The Committee consists of 11 Members. It has a quorum of three. Unless the House otherwise orders, all Members nominated to the Committee continue to be Members of it for the remainder of the Parliament.

The Committee has power:

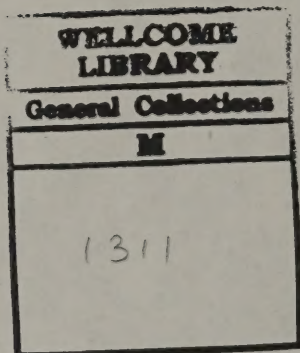
- (a) to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn from place to place, and to report from time to time;
- (b) to appoint specialist advisers either to supply information which is not readily available or to elucidate matters of complexity within the Committee's order of reference;
- (c) to communicate to any other such committee and to the Committee of Public Accounts, to the Deregulation Committee and to the Environmental Audit Committee its evidence and any other documents relating to matters of common interest; and
- (d) to meet concurrently with any other such committee for the purposes of deliberating, taking evidence, or considering draft reports.

The following were nominated Members of the Committee on 14 July 1997:

Mr David Atkinson
Mr Nigel Beard
Dr Michael Clark
Mrs Claire Curtis-Thomas
Dr Ian Gibson
Dr Lynne Jones

Mr Nigel Jones
Dr Ashok Kumar
Mrs Caroline Spelman
Dr Desmond Turner
Dr Alan W Williams

Dr Michael Clark was elected Chairman on 30 July 1997.



THIRD SPECIAL REPORT

The Science and Technology Committee has agreed to the following Special Report:—

THE GOVERNMENT'S RESPONSE TO THE SCIENCE AND TECHNOLOGY COMMITTEE'S FIRST REPORT, SESSION 1997-98, THE IMPLICATIONS OF THE DEARING REPORT FOR THE STRUCTURE AND FUNDING OF UNIVERSITY RESEARCH

1. On 2 April 1998 the Committee published its First Report of the 1997-98 Session on the Implications of the Dearing Report for the Structure and Funding of University Research. The Government's response, in the form of a Memorandum from the President of the Board of Trade, was received on 15 June 1998.

2. The Government's Response is published as an Appendix to this Report.

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APPENDIX

Memorandum from the President of the Board of Trade

INTRODUCTION

1. The Government is grateful to the Committee for its report on "The Implications of the Dearing Report for the Structure and Funding of University Research". The issues covered are important ones. As many of them are currently being examined within the Comprehensive Spending Review, the Committee's observations and recommendations are particularly timely and helpful.

2. In the following, the alphabetical references in parenthesis refer to the specific recommendations listed at the start of the Committee's report. For convenience, these are reproduced at annex A.

FUNDING UNIVERSITY RESEARCH

3. The Government notes the Committee's views *(a)* on the overall level of research funding, and has noted the wide support, endorsed by the Select Committee *(b)*, for the dual support system. The Government shares the extensive concerns about the funding of research infrastructure and is committed to maintaining and enhancing the excellence of UK research

4. In view of the lack of support from companies in the private sector for a loan pool *(c)* of the kind recommended by the National Committee of Inquiry into Higher Education (the Dearing Committee) ⁽¹⁾, the Government does not believe that the establishment of a revolving loan fund is likely to prove a practical way of addressing the shortfall in funding of research infrastructure.

5. In recognition of the pressures on the research infrastructure *(e and f)*, the Government has already provided extra funding to enable universities to make a start on meeting urgent infrastructure and equipment needs for teaching and research in 1998-99. Funding for 1999-2000 and beyond is subject to the outcome of the Comprehensive Spending Review. In the Review, the Government will take account of these recommendations by the Committee along with all the other pressures on public funds and other spending priorities.

6. The Government is pleased that the Committee welcomes the Joint Research Equipment Initiative (JREI) *(d)*. Like the Committee it recognises that this initiative is not appropriate in all circumstances, but believes it has already made an important contribution to university research. Over the past two years, some £130 million worth of equipment has been supplied through this initiative. The recent announcement of the established nature of the competition means that applicants can develop capital purchase strategies and plan to make full use of all the mechanisms available to support infrastructure.

7. The Government notes the Committee's comment that not all the money attracted from industry is new money. However, the value of the JREI is that it encourages industry to prioritise its contribution to research, to engage industry in constructive dialogue with universities, and to target areas where it feels that its contribution can be of greatest benefit.

8. The Government notes the Committee's views on the Dearing Report recommendation that the Research Councils should pay the full indirect costs of the research that they fund with universities, and the way that this should be implemented *(g, h and i)*. As indicated in its response to the Dearing Report ⁽²⁾, the resource implications of this are being considered within the current Comprehensive Spending Review

9. The Government recognises the Committee's views over charging the full economic costs for externally commissioned research and the need for a consistent approach to the funding of research both within and outside the dual support system *(j, k, l)*. Fundamental to this is the need for institutions to ensure that they have appropriate management procedures and systems in place

to cost their activities appropriately. A joint group, comprising the Funding Councils, CVCP and sector representatives, has developed and published a three-year strategy to support institutions in adopting good practice in costing and pricing. Funding of £2.8 million will be provided over the three years to facilitate the integration of financial and academic planning in institutions and provide training for academic managers.

10. Once the full economic costs of commissioned research can be established there will be scope for a more consistent approach on the part of HE institutions to charging for commissioned research outside the dual support system on a basis which covers the full economic cost, with full allowance for contributions in kind. The Government recognises that there will be occasions when HE institutions may choose to share the cost of some research, for example, where it is conducted in collaboration with other funders

11. The Government welcomes the Committee's endorsement of its objective of seeking a more realistic level of reimbursement of indirect costs for Framework Programme contracts (*m*) funded on the "additional costs" or "marginal costs" basis. It will pursue this objective vigorously in the remaining stages of the negotiations on the Fifth Framework Programme.

RESEARCH ASSESSMENT EXERCISE

12. The Higher Education funding bodies have recently consulted widely on the operation of the Research Assessment Exercise (RAE) and are currently preparing proposals for another exercise in 2001. A further consultation exercise on these proposals will start in the summer.

13. The Government agrees with the Committee that it is important that funding mechanisms, including the RAE and Research Council peer review, do not have any significant perverse effects such as disadvantaging, or otherwise discouraging, collaborative or interdisciplinary research (*n and o*) and acknowledges that the assessment of interdisciplinary research was one of the aspects of the last RAE in 1996 which caused some concern. However, the growth in collaboration and multidisciplinary research is such that it is doubtful if the RAE per se is a deterrent. A recent study⁽¹⁾ found evidence that collaboration between institutions was not adversely affected by the RAE: 43 per cent of staff surveyed (and 50 per cent in units with 4/5 ratings) collaborated with overseas researchers to demonstrate their 'international excellence'; and only 18 per cent of staff believed that the competitive ethos of the RAE reduced collaboration between HEIs.

14. In their proposals for the next RAE, the Higher Education funding bodies intend to raise awareness of the mechanism to support collaborative submissions and to take on board any practicable ideas put forward in the consultation that are likely to improve the assessment of collaborative research.

15. The Higher Education funding bodies have jointly commissioned a project on the funding and assessment of interdisciplinary research. The steering group for the study includes representatives from higher education institutions, the Office of Science and Technology and the Research Councils, and is operating under the auspices of the Science and Engineering Base Co-ordinating Committee. The group's report will be available later this year. The Higher Education funding bodies will take it into account in developing the RAE framework.

16. Beyond the RAE, all the special research funding initiatives of the Higher Education funding bodies strongly promote collaboration, including the Joint Research Equipment Initiative, the Higher Education Funding Council for England's (HEFCE) new laboratory refurbishment initiative and the Scottish Higher Education Funding Council's (SHEFC) Research Development Grant. In addition, in May 1997, the HEFCE launched the CollR initiative that enables staff in 2 and 3b rated departments in former PCFC institutions to undertake collaborative research. HEFCE is presently considering whether further such initiatives are required to encourage collaborative research, particularly in regional centres.

17. The Government shares the Committee's reservations about any funding mechanism that relies on a distinction between scholarship and research (*p*), and notes that such a distinction would not command wide support in the higher education and research communities. As the

Committee has observed, scholarship, as defined by the Dearing Committee, should be an integral part of teaching and research and should thus be regarded as a normal professional requirement for all university academic staff. Consultations have shown little support for the Dearing proposal to turn some research funding into funding for scholarship to reward those who do not enter the RAE. Scholarship forms a major element of research in the arts and humanities, and any attempt to base any funding mechanism that relied on distinguishing between teaching, research and scholarship could prove impossible to sustain. Accordingly, the definition of research that the Higher Education funding bodies will be proposing for the next RAE subsumes scholarship by referring to it as "the creation, development and maintenance of the intellectual infrastructure of subjects and disciplines, in forms such as dictionaries, scholarly editions, catalogues and contributions to major research data-bases".

18. Again, the Government agrees with the Committee that university departments whose strengths lie in teaching should be encouraged to develop these strengths (*q*). This is important for the further development of a high quality, but diverse, higher education system. It shares the Committee's view that there is a need to enhance the status of, and reward for, good teaching rather than to undermine the pursuit of research excellence. The Government recognises the need to ensure that teaching has a higher profile and is held in higher esteem, and is encouraging strategies designed to enhance the professional skills and status of teachers.

19. The Secretary of State for Education and Employment's letter to the HEFCE, giving guidance on grants for 1998-99, asked the Funding Council to encourage higher education institutions to give high priority to learning and teaching. The HEFCE's guidelines on institutional bids for more student places subsequently required evidence on the institution's teaching quality. But the Government recognises that there may need to be a more direct link between institutions' funding and the quality and standards of teaching and learning. It is therefore looking to the funding bodies to identify ways of rewarding the best in teaching and learning. The Secretary of State for Education and Employment and the Secretary of State for Wales, respectively, have asked the HEFCE and Higher Education Funding Council for Wales (HEFCW) to consider further ways of linking funding for teaching with assessments of quality. In Scotland, SHEFC has had a mechanism in place for some time, but in response to the Dearing Report, the Secretary of State has asked SHEFC for advice on the options available.

20. The Government also sees the need to build up the standards and professional status of teachers in higher education. A key to this will be the Institute for Learning and Teaching in Higher Education which was recommended in the Dearing Report. The higher education sector is already taking this forward vigorously and the new Institute, proposed to come into being in September 1998, will be important in enhancing the quality of teaching through its work on promoting good teaching methods, accrediting HE teaching staff, and making the best use of modern technology. It will be important for the Institute to work closely with the Quality Assessment Agency, the Teacher Training Agency, the General Teaching Council in Scotland and the proposed Councils for England and Wales, and the proposed national training organisation for further education.

21. The Government agrees with the Committee that there needs to be appropriate recognition of the applicability of research (*r and s*), but believes that there is a danger of trying to achieve everything through the RAE, given that it is only one of the instruments used to support a vibrant research base, able to work with research users in the short, medium and long term. There are other, possibly better ways of taking account of industrial funding of university research, for example the HEFCE GR funding and the Research Councils' ROPA grants. The Government is exploring with the funding bodies whether any of these schemes can be developed further.

22. There was unanimous support in the RAE consultation exercise for a broad and inclusive definition of research, encompassing all academic research and work of direct relevance to the needs of commerce and industry, public and voluntary sectors. Equally however, the Higher Education funding bodies were urged not to undermine the RAE through the inclusion of essentially non research activities.

23. Further, a large majority of the respondents to the RAE consultation exercise stated that they did not wish there to be *additional* weighting given in the RAE for the utility of research,

at least in part because of the perceived deleterious effects on the research base of trying to meet the immediate concerns of industry. However, it was recognised that in some subjects, the question of relevance or utility is integral to any understanding of research quality. The Higher Education funding bodies are therefore consulting further on the suggestion that all panels' criteria should articulate what recognition will be given to usability or application as an indicator of research quality.

24. The Higher Education funding bodies intend to have more broadly based panels in 2001, and it will be made clear that user representatives are there to make their views known not simply to observe. A further change will be a more flexible approach to involving user representatives – many such representatives declined to participate in the 1996 RAE, primarily citing pressure of work. The Funding bodies are consulting on the suggestion that more use could be made of sub-panels, and these could be more flexibly constituted than the full panel.

25. The Government has noted the Committee's concern that the RAE has a tendency to short termism in research planning (i). The move to a five-year interval before the next RAE has been extremely favourably received by the research community and puts the exercise on the same timescale as most institutional strategic plans. The consultation exercise on research assessment showed virtually no support for a rolling programme (u), and this suggestion is no longer being pursued. The Higher Education funding bodies also plan to make changes to the parts of submissions where institutions outline their strategies in order that they can most effectively demonstrate the investments they are making in research groups whose output will take some time to mature. However, the funding bodies believe that the RAE has encouraged institutions to be more strategic, not less so. Those institutions that do well are on the whole those pursuing long-term plans that build on their strengths and seek to develop in new areas where they have a particular competence or facility.

26. The short-termist behaviour that is often cited is the pressure to publish and a tendency to buy in expertise rather than to provide opportunities for young researchers. The 1996 RAE saw a change in the guidelines, with researchers constrained to submit up to four pieces of published work rather than a list of publications. This change provided an opportunity for researchers to demonstrate the breadth of their work without overwhelming panels.

27. The Government has noted the Committee's view that the funding bodies should have discretion over ways of bringing international validation of research ratings. It believes that the assessment process should draw on research expertise from outside UK universities where this is appropriate and can be done in a cost-effective way, and it welcomes the consideration that the funding bodies have been giving to ways of involving non-UK researchers.

28. The Government agrees that it is right to concentrate research funding on departments which are likely to produce over the long term highest quality in terms of research output (w). It has asked the Higher Education Funding Councils to continue allocating their research funds selectively, while bearing in mind the danger of over-concentration of funding, which could lead to the withdrawal of support from promising research and talented researchers.

POSTGRADUATES' AND RESEARCHERS' CAREER STRUCTURES

29. As the Government indicated in its response to the Dearing Report⁽²⁾, it agrees with the Committee's recommendations on postgraduate research training (x and y) which are directed primarily toward the development of a code of practice by the Quality Assurance Agency (QAA).

30. The Government accepts the Committee's proposal that the QAA should involve, where appropriate, industrial representatives in the preparation of a code of practice for postgraduate training (z). The overall work of the QAA is overseen by its Board, which has six independent members out of a total of 14 drawn from industrial, commercial and professional fields where graduates find employment, and these include a number with direct experience of the research needs of industry.

31. The Government has noted the Committee's comments on the level of short term contracts

within the university system and welcomes the comments on the Concordat to provide a framework for the career management of contract staff (*aa*). Last summer the Government announced that the Concordat signatories were setting up a new group, the Research Careers Initiative, chaired by Sir Gareth Roberts, to monitor and push forward the Concordat's implementation. The Government hopes that the initiative will be able to identify, encourage and disseminate good practice in the career management of contract research staff, building on the work which has already been carried out by SHEFC through a parallel initiative to promote both good practice in the management of contract research staff and the Concordat. It believes it important for research staff, irrespective of their length of contract, to benefit from continued professional development, but also from informed career guidance, for example on opportunities in research outside academia and on occupations outside research.

ARTS AND HUMANITIES RESEARCH COUNCIL

32. The Government has welcomed the decision by the HEFCE to set aside £8 million in 1998/99 for project funding for research in the arts and humanities to be administered by an Arts and Humanities Research Board (AHRB) (*bb*), which will bring funding in England broadly into line with the existing levels in Scotland. Additional funding will be provided by the British Academy, and the total will be administered by the AHRB. It has been established on an interim basis pending a decision on the UK-wide Arts and Humanities Research Council proposed by Dearing.

33. The Government has noted the view of the Committee that the AHRC should not be placed within the structure of the OST (*cc*).

SHARED COST SCHEMES

34. The Government concurs with the Committee's view that there would be no significant benefits in an Industrial Partnership Development Fund (*dd*) as such, beyond those already delivered by existing schemes for promoting research collaboration between academia and industry. However, the Government's Comprehensive Spending Review will seek to identify ways in which existing schemes can be made even more responsive to user requirements

35. The Government welcomes the Committee's recognition of the LINK scheme as a key mechanism in the drive to promote research collaboration between industry and academia (*ee*). Several developments are in train to capitalise further on the strong identity of LINK: for example the EPSRC's Innovative Manufacturing Initiative has now been "franchised" under the LINK banner.

36. It does not believe, however, that it is appropriate to brigade all aspects of research exploitation under the LINK heading, because this scheme is concerned primarily with the undertaking of pre-competitive research. Hence, it is envisaged that other distinctive elements of the exploitation process (eg technology and knowledge transfer through "people movement") will continue under their current well-known identities. Nevertheless, in order to maximise the synergies and encourage strategic coherence between the LINK scheme and the Teaching Company Scheme (TCS), the Government is considering a single top-level Board for these two schemes.

37. The Government has noted the Committee's view that industry should be consulted before introducing any further shared cost schemes (*ff*). It is a continuing Government objective to understand industry's perspective on the science and engineering base and take actions which are informed by this understanding. Schemes which depend on collaboration or partnership with industry will only succeed if industry sees benefit in them and is prepared to participate. It follows that Government does not launch schemes which it believes will fail to gain industry's support.

38. There is a range of mechanisms available for assessing industry's likely response only one of which is formal consultation with industrial companies and trade bodies concerning the specific proposals for a new scheme. Other mechanisms include informal contacts which Ministers and officials have with industrial companies and trade bodies, which provide an insight

into issues of concern to industry; responses to Government publications, including consultation documents and White Papers; and working parties with industry membership such as Foresight panels and groups.

JOINT INFORMATION SYSTEMS COMMITTEE

39. The Government, like the Committee has endorsed the Dearing Report's recommendation that the Joint Information Systems Committee should permanently fund and manage electronic communications and information services for researchers (*gg*). It welcomes plans by the Funding Councils to introduce charging for transatlantic networking from 1998/99 in order to ensure that effective use is made of expensive network resources.

40. The Government recognises the importance of improved international access to the research community (*hh*) and similarly welcomes this initiative, the resource implications of which are being considered in the current Comprehensive Spending Review.

COUNCIL OF SCIENCE AND TECHNOLOGY

41. The Government welcomes the Committee's endorsement of the re-establishment of the Council for Science and Technology under new, clearer and more comprehensive terms of reference, and with an increased number of independent members (*ii*).

42. The Government agrees with the Committee that the Council's enhanced role, extended membership and advice should be disseminated widely so that its work carries the confidence of the wider research community. Accordingly, it has invited the new Council to address this recommendation at its inaugural meeting on 10 June 1998. The Council will also be subject to the new framework which the Government is planning to establish for advisory Non Departmental Public Bodies to deal with such important matters as accountability, appointments and freedom of information.

43. As stated previously⁽²⁾, the Government fully shares the Committee's view in being unconvinced of the need for an advisory body on national research policies for the public funding of all areas of research in higher education, as envisaged in the Dearing Report (*jj and kk*). The new remit of the Council for Science & Technology makes explicit that the Government will look to the Council for advice on the overall impact of the funding arrangements for publicly supported Science & Technology including those for research in higher education institutions. In this area, apart from the Council for Science & Technology, the Science and Engineering Base Co-ordinating Committee (SEBCC), works to ensure that all public funding streams to the universities mutually reinforce each other. The work of this committee and its relationship with the Council for Science and Technology will be kept under review over the next year.

1. Higher Education in Learning Society, July 1997.

2. Higher Education in the 21st Century: Response to the Dearing Report, 25 February 1998.

3. The impact of the 1992 RAE on institutional and individual behaviour in English Higher Education: Professor Ian McNay, HEFCE M5/97, para 5.19 - 5.20.

ANNEX A

SUMMARY OF RECOMMENDATIONS AND CONCLUSIONS

- (a) There is an overwhelming case for a substantial real terms increase in Government expenditure on research over and above that which is required to make good the shortfall identified later as an investment in the nation's future (paragraph 11).
- (b) We find the arguments in support of the dual support system for allocating public funds to university research overwhelming and endorse the overall conclusion in the Dearing Report that it should be retained (paragraph 18).
- (c) We recommend that the Government reject the National Committee of inquiry into Higher Education's proposals for establishing a revolving loans fund to support research infrastructure (paragraph 29).
- (d) We accept that not all the money attracted from industry by the Joint Research Equipment Initiative is new money and are convinced that, in isolation, the Initiative will not solve the funding crisis in research infrastructure. Nevertheless, we welcome the Joint Research Equipment Initiative and the fact that it is to become an annual event as it will provide significant additional resources (paragraph 32).
- (e) While we do not ignore the responsibility that the Research Councils, and therefore by implication the Office of Science and Technology, have for contributing towards infrastructure where the work they fund places demands upon it, we are clear that this is primarily a matter for the Higher Education Funding Councils and therefore for the Department for Education and Employment and the corresponding departments in Scotland, Wales and Northern Ireland (paragraph 34).
- (f) We are convinced that there is still a real and urgent need for the Government to provide additional resources to resolve the immediate crisis in research infrastructure in the UK's universities. We recommend that this issue be treated with the utmost priority in the Comprehensive Spending Review. We further recommend that the Government allocate a total of between £410 and £430 million of new money, earmarked for research infrastructure, over the next three public expenditure rounds (paragraph 35).
- (g) We recommend that the Research Councils should pay the full indirect costs, excluding academic staff salaries, of the research which they fund in universities (paragraph 39).
- (h) We recommend that the Research Councils agree with universities, rates for indirect costs which recognise that such costs may vary from one type of research to another (paragraph 40).
- (i) We recommend that all increased expenditure incurred by the Research Councils as a result of paying a higher rate for indirect costs be matched by increased Government funding for the Research Councils (paragraph 41).
- (j) We recommend that the Higher Education Funding Councils examine the operation of the Research Assessment Exercise with a view to ensuring that it only rewards those institutions which attract grants and commissions for research on terms which provide for the meeting of the full economic costs either in cash or in kind (paragraph 47).
- (k) We recommend that the Government, as a priority, ensures that all UK funders of university research outside the dual support system pay the full economic costs of that research with full allowance made for contributions in kind (paragraph 56).
- (l) We endorse the National Committee of Inquiry into Higher Education's recommendation that "institutions... develop and implement arrangements which allow staff and external bodies to have access to, and understand the true costs of research". We recommend that this should be achieved over the next three years (paragraph 57).
- (m) We recommend that the Government continue its attempts to introduce some flexibility, to allow funding of indirect costs beyond 20% where appropriate, into the European Commission's Framework Programmes (paragraph 58).
- (n) It is of the utmost importance that the Research Assessment Exercise should reward research

undertaken in collaboration at least equally with that done by a single department or institution. We are, therefore, disappointed that the Dearing Report made no specific recommendations about funding for collaborative research and that the consultation exercise launched last November by the Higher Education Funding Councils on the operation of 1996 Research Assessment Exercise made no specific reference to collaborative research (paragraph 65).

- (o) We recommend that the Funding Bodies and the Research Councils review all their funding procedures, including but not exclusively the Research Assessment Exercise and peer review, to identify any areas where collaborative, interdisciplinary and multi-disciplinary research may be disadvantaged and then put forward and consult widely on options for change. Results from the current consultation on the Research Assessment Exercise should be used to inform, but not replace, parts of that review (paragraph 68).
- (p) We have grave reservations about the principle and practicality of any funding mechanism that relies on a distinction between scholarship and research (paragraph 71).
- (q) We strongly endorse the conclusions of the National Committee of Inquiry into Higher Education that university departments must make strategic assessments of their research activities and that departments whose strengths lie in teaching should not be inhibited from pursuing teaching excellence; but we cannot support its proposals for a per capita fund which are in principle wrong and in practice would be ineffective. The best way to achieve an appropriate balance between teaching and research is to enhance the status of, and reward for, good teaching rather than to undermine the pursuit of research excellence (paragraph 74).
- (r) In an era when much of the justification for deploying public funds in support of the research base rests on the economic and social benefits of research, the Research Assessment Exercise should make some recognition of research applied in these areas (paragraph 76).
- (s) We recommend that the Funding Bodies identify and evaluate the ways in which applied research can be more easily recognised and adequately rewarded and implement changes in the next Research Assessment Exercise (paragraph 77).
- (t) We urge the Higher Education Funding Councils to consider and implement means by which the tendency of the Research Assessment Exercise to encourage short termism in research planning can be removed without extending the interval between Research Assessment Exercises to a duration inconsistent with robust financial management and accountability (paragraph 78).
- (u) We see little benefit and considerable risk in moving to a rolling programme of research assessment, the advantages of which are far from proven (paragraph 80).
- (v) We endorse the principle of international validation of Research Assessment Exercise ratings but cannot support the prescriptive recommendation of the National Committee of Inquiry into Higher Education that all panels should have international membership. We believe that the Funding Bodies should have discretion in this respect (paragraph 83).
- (w) On balance we have concluded that the current level of selectivity is broadly acceptable and that, given the importance of fostering new talent and pursuing blue skies research, any moves towards greater selectivity would be unwise (paragraph 88).
- (x) We endorse the recommendation of the National Committee of Inquiry into Higher Education that a code of practice on training for post-graduate research students, monitored by the Quality Assurance Agency, should be introduced as soon as possible and that Higher Education Funding Council funding for new postgraduate studentships should be dependant on compliance with that code of practice from 2000-2001 onwards (paragraph 90).
- (y) We find, on balance, that we agree with the Dearing Report: while exposure to high-quality research and research practice is obviously an essential part of research training we agree that other factors, such as teaching quality, should also play a part in determining where to direct funding for post-graduate research training (paragraph 91).
- (z) We recommend that the Quality Assurance Agency, where appropriate, involve industrial representatives in the drawing up of a code of practice on post-graduate training (paragraph 92).

- (aa) Ensuring adequate funding for the research base in the long term is the only way to reverse the increase in short-term appointments. If implemented, our recommendations will enable institutions to make commitments to long-term funding for posts and therefore to reduce the proportion of their staff on short-term contracts. We would urge them to do so (paragraph 95).
- (bb) While we do not consider that it is for us, as the Science and Technology Committee, to comment in detail on the precise arrangements for public support of research in the arts and humanities, we endorse, in principle, the establishment of an Arts and Humanities Research Council and welcome the Government's commitment to consider this in the context of the Comprehensive Spending Review (paragraph 97).
- (cc) We strongly recommend that the Governments would reject any proposals that the Arts and Humanities Research Council should be placed within the structure of the Office of Science and Technology (paragraph 98).
- (dd) We, like the majority of our witnesses, are unable to see any significant benefits in an Industrial Partnership Development Fund above and beyond those already delivered by existing schemes. (paragraph 101).
- (ee) We recommend that the Government investigate whether greater use could be made of the LINK scheme to reduce confusion caused by the large number of Government initiatives designed to promote research collaboration between industry and academia (paragraph 102).
- (ff) It seems obvious to us, if companies are to be asked to enter into a partnership or a collaboration, that they should be consulted on the basis of that partnership and therefore strongly endorse the National Committee of Inquiry into Higher Education's suggestion that in future, Government departments should consult with industry before introducing shared cost schemes" (paragraph 103).
- (gg) We endorse the National Committee of Inquiry into Higher Education's recommendation that the Joint Information Systems Committee should permanently fund and manage electronic communications and information services for researchers and should introduce charges for those services based on volume of usage (paragraph 106).
- (hh) We understand that the Funding Bodies have already asked for costed options for the provision of protected international bandwidth to be produced. We welcome this (paragraph 107).
- (ii) We recommend that the enhanced role, extended membership and advice of the Council for Science and Technology is disseminated widely so that its work carries the confidence of the wider research community (paragraph 110).
- (jj) We are unconvinced of the need for an advisory council for national research policy as envisaged in the Dearing Report (paragraph 111).
- (kk) We recommend that the Government, before considering the need for an advisory council on national research policy as envisaged in the Dearing Report, conduct a rigorous analysis of the mechanisms that are already in place and ensure that they are working properly (paragraph 112).

